

13 MAR 1959

MEMORANDUM FOR: Deputy Comptroller

SUBJECT : Accrual of Unrecorded Costs

REFERENCE : Memorandum from Task Group on the above subject, dated 27 February 1959

1. This Staff has no specific comments to offer on contents of the reference. It is suggested, however, that before making a decision to accrue or not to accrue a given cost, one of the factors to be considered should be the relationship of the amount of the accrual to (1) the total value of the goods or services consumed during the reporting period and (2) to the amount of the goods or services consumed by individual cost centers during the period. The foregoing may be clarified by the following illustrations:

- a. The normal monthly accrual for salary expense might represent 50% to 60% of the normal monthly salary expense;
- b. The monthly accrual for air support might be 100% of the normal monthly cost of air support because of the delay in receiving and processing the billings for air support;
- c. The amount of the normal monthly accrual for a given service might represent only 5% or 10% of the overall normal monthly cost of the service but as it affects some individual cost centers the accrual might represent a much larger percentage of their costs.

25X1A9a

Chief, Technical Accounting Staff

DOC	25	REV DATE	06/05/81	BY	018905
ORIG COMP		OPI	38	TYPE	01
ORIG CLASS	5	PAGES	1	REV CLASS	11
JUST	207	NEXT REV	207	AUTH:	HR 70-2

~~SECRET~~